

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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TEZ Factory

1. The **TEZ** (Tvornica Elektricnih Zarulja) electric bulb factory in Zagreb is a city-controlled enterprise. The manager, appointed by the City People's Committee, is Luka Saric.

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2. The Administrative Committee of the TEZ factory is composed of seven members, two of whom are known PCY members: "Digo" Engelbert Agnoli,

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and Antonija Simunic, secretary of the factory FCY organization. Another member of the Administrative Committee, Joco Bujanovic, is probably an FCY member also. Through intrigues and personal influence, the manager succeeds in having the Workers' Council elect persons for the Administrative Committee who will approve everything he does.

3. The Workers' Council in reality has no rights at all. In case of a controversy with the Workers' Council, the manager adopts the following position: "I represent the Government and I am here in order to defend the Government's interest. What you are saying is not in the interest of the Government."
4. The average salary in the factory is 7,000 dinars monthly. The manager receives 20,000 dinars monthly, but he can draw additional money from the Salary Fund for such expenses as official parties, per diem, travel, etc. The factory usually works at a profit, and therefore the workers usually receive their full salary. The budget, table of organization, and the amount of money earmarked for the Salary Fund must be approved by the City People's Committee.

Theft and Illegal Practices

5. Everybody in the TEZ factory and in other factories steals in one way or another. Some workers steal directly, taking home parts and tools; others by making certain tools in factory shops and with factory materials, and then selling them. Most of the workers who can do so make articles at home with stolen factory materials. They use the articles themselves or sell them to friends or through commissioned sales stores (Komisijske Radnje).
6. When people are able to travel abroad, they buy as many things as they dare to bring in through the customs, and before going, they usually find out what sort of small articles can easily be hidden in their luggage and what are the most expensive on the black market. They usually buy cameras, film, various small tools used in workshops, other small equipment for mechanical, electrical and radio workshops.
7. Commissioned Sales Stores (Komisijske Radnje) are set up by Rayon (precinct) administrations which are run by the City or District People's Committees. The main purpose of these stores is to purchase and sell second-hand material. They are similar to pawn shops. The store takes ten percent of the price of every article sold, which represents a sort of Government tax. If the seller wants to have his article placed fast and well, he has to offer an additional percentage of the price to one or more sales clerks in the store, whereupon the article is put on display in the store, and sometimes potential buyers are contacted directly. If the seller does not offer any commission to the sales clerks, they do not make any effort to sell it and keep it in drawers or on the shelves where nobody sees it. The sales clerks in these stores have many commercial contacts and usually know whom to contact in a factory in order to get a specialized article sold. It happens that an article which was stolen from a factory is sold back to the same factory through the commissioned sales store.

Independent Artisans

8. A qualified person is entitled to open a private workshop if he can prove where he got his machinery, and can employ up to three workers. This is

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just a concession to private initiative and it is discouraged at the same time by the government by other means, such as high taxes. In case the artisan is not able to pay his taxes on time, his equipment or parts thereof is confiscated, thereby making it impossible for him to continue production. When a young person opens an individual shop, he is very often called into the Army for military exercises which may last up to three months. In the meantime he has to stop production, but he nevertheless has to pay taxes for the non-productive period. This naturally makes it difficult for him to continue to stay in business. When a person opens a workshop, the origin of his equipment is checked very carefully by the authorities, usually the UDB. If there is any proof or sufficient suspicion that the equipment was made at home with parts stolen from some state enterprise, the equipment is confiscated by the government.

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